

VZCZCXYZ0031  
RR RUEHWEB

DE RUEHAC #0624 1701931  
ZNR UUUUU ZZH  
R 191931Z JUN 06  
FM AMEMBASSY ASUNCION  
TO RUEHC/SECSTATE WASHDC 4397  
INFO RUCNMR/MERCOSUR COLLECTIVE  
RHEHNSC/WHITE HOUSE NSC WASHDC  
RUMIAAA/USCINCSO MIAMI FL//SCJ5//  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDO/DEPT OF COMMERCE WASHDC  
RUEAIIA/CIA WASHDC

UNCLAS ASUNCION 000624

SIPDIS

SIPDIS

STATE FOR WHA/BSC AND EB/IFD/OIA  
STATE PASS TO USAID FOR LAC/AA  
STATE PASS TO USTR FOR LYANG  
NSC FOR SUE CRONIN  
TREASURY FOR OSIA MAUREEN WAFER  
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR  
COMMERCE FOR ITA SARAH COOK  
SOUTHCOM FOR POLAD

E.O. 12958: N/A  
TAGS: [PA](#) [PGOV](#) [PREL](#) [KCRM](#)  
SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE, JUNE 10 -  
JUNE 16 2006

REF: ASUNCION 0430 AND PRECEDING

11. (U) SUMMARY:

- Donation of Internet to the Interior
- Lugo to form a united opposition
- Anti-U.S. Conference Held in Asuncion

-----  
Donation of Internet to the Interior  
-----

12. (U) On 6/14 the Ambassador and USAID representatives met with Vice President Castiglioni to discuss a project to bring high-speed internet to under-served areas in the interior of the country. Castiglioni, a civil engineer by trade, appeared enthusiastic about the program and asked technical questions that were addressed by a group of technical specialists who accompanied the Ambassador. The Vice President supports the program but asked why Coronel Oviedo and the Chaco were chosen as the project sites. Castiglioni suggested adding a more rural town for a pilot program and USAID plans to consider the possibility. The Ambassador seeks to involve the Vice President in the launch of the project, which should take place in September. CONATEL, the company that provides frequency licenses in Paraguay, and COPACO, the national phone company, will also be involved. Castiglioni stated that he would call both companies to urge them to support the project.

-----  
Lugo to Form a United Opposition  
-----

13. (U) Monsignor Lugo, former Bishop of San Pedro, has been steadily increasing his political involvement. On 3/29 he led a demonstration of over 30,000 protesting against a Supreme Court decision that enabled President Duarte to claim the Colorado Party Presidency. On 6/7 he led another demonstration, forming a human chain around the Supreme Court building. The president of the Beloved Fatherland Party, Pedro Fadul, met with Monsignor Lugo on 6/14 and requested that Lugo make a statement calling for the union of all political parties in opposition to the re-election of

President Duarte in the 2008 elections, if the constitution is changed to allow re-election. Lugo accepted Fadul's request and will urge all opposition parties to support one candidate, although it has not yet been announced which candidate that will be. Lugo stated that he will decide by December whether or not he will run in the 2008 Presidential elections. (ref. A)

-----  
Anti-U.S. Conference Held in Asuncion  
-----

15. (U) The Paraguayan chapter of the People,s Bolivarian Congress held a week-long conference with the principle objective of unifying Latin America. On 6/13, the theme of the events were entitled "Anti Imperialista - Yankis Tapeho" (Anti-Imperialist - Yankees Leave), calling for an end to U.S.-Paraguayan military exercises. Monsignor Fernando Lugo, leader of his Citizen,s Resistence organization, along with representatives from the Country in Solidarity Party and the Beloved Fatherland Party, participated in some of the events. CASON